

**TOP SECRET EIDER**

Economic Services Division

**NSA Declassification/Release Instructions on File**

Committee on China

(Minutes of the Twenty-Seventh Meeting -- 0930 hours, 7 April 1955)

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Present: Messrs: [REDACTED]

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Guests: Messrs: [REDACTED] St/I. Mr. [REDACTED]  
and [REDACTED]

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The following items of current news interest were discussed:

1. Viet Minh and Chinese railroad building plans for 1955.
2. The increased evidence of Bloc technical assistance to Indonesia. Comparisons unfavorable to the Western Aid program are being made by Indonesians left-wing elements.
3. The acceptance by the Chinese of Russian gauge on the Trans-Mongolian Railroad may be dictated by the desirability of using Diesels in this area.

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6. Indications that the Chinese are stressing the study of Southeast Asian languages in higher educational institutions.
7. The Chinese announcement of the recruitment of an Asian People's Volunteer Army of 1,400,000 men with elements from China and all other Asiatic countries. This was announced as a counter to the SEATO forces.

(Source for Items 6 and 7 was an FDD Summary No. 272, 19 Nov 54)

8. The revelation by Shanghai Radio of a Soviet vice chief

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adviser to the State Council. This appears to be the first admission of Soviet advisers at this level.

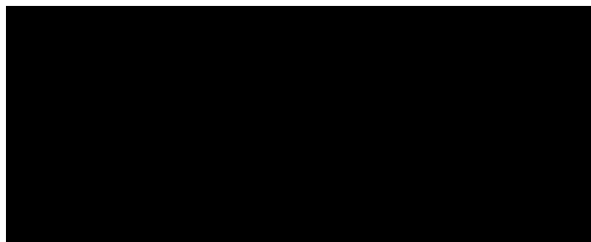
9. The establishment on 25 March of the Agricultural Bank of China.

10. The Kao Kang - Jao Shu-shih purge.

11. The question of the uncritical acceptance of the 1954 announced Chinese population figure. This issue, raised by a letter to the New York Times of 3 April, evoked the comment that the figure is accepted only because previous estimates were admittedly subject to a wide range of error and because there are still no facts available to form the basis of a critical analysis.

12. The recurring evidence of a major food problem in China and other Communist areas of the Far East stimulated a discussion of the possibility that another major failure to reach food goals would cause the Chinese to revise their long range plans. This might mean a forced discontinuance of food shipments to the Soviet Union and a shift in emphasis to agricultural production instead of heavy industry. As indicated in the discussion of this subject at our 17 March meeting, the temptation to tap the food resources of Southeast Asia by overt action or other means must be very strong, and long-term indicators of this possibility should receive our increasing attention. The food crisis in China may be the most compelling fact in China's military and economic planning over the coming months.

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requests that analysts be prepared to comment at next meeting on FDD coverage in Southeast Asia.

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